



Corporation
for Public
Broadcasting

October 9, 2024

John Chaske
General Manager
KABU-FM
PO Box 300
Fort Totten, ND 58335

Dear John Chaske,

RE: Evaluation of KABU-FM, Dakota Healing Journey, Inc., Compliance with Selected Communications Act and General Provisions Transparency Requirements (Report No. ECR2403-2413)

The evaluation referenced above concluded that KABU-FM (KABU) was compliant with three of six applicable requirements in the Communications Act of 1932, 47 U.S.C. § 396, *et seq.* (Communications Act) and in the General Provisions and Eligibility Criteria (General Provisions) which govern the 2024 community service grant (CSG) awarded it by the Corporation for Public Broadcasting (CPB).

The specific findings and CPB's determinations for KABU follow.

I. Posting Current Financial Information

The Communications Act requires stations to make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB.¹ CPB also requires that each CSG recipient post its most recent audited financial statements and its most recent annual financial report (AFR) or annual financial summary report (FSR) on its website (whichever is applicable). With CPB's approval, stations may post their required information on a website shared by other public broadcasting entities.²

The evaluation found that KABU had posted its most recent FSR but did not include its audited financial statement. The evaluation recommended that CPB require KABU to identify the corrective actions and controls it will adopt to avoid this error in the future. KABU agreed with the finding and promptly uploaded the document during the audit review. In their response to the audit report³, KABU management stated that going forward, the station would be working with the staff that manages the shared website to make and maintain timely website entries and plans to add a new staff

¹ General Provisions, Section 2 (C), Open Financial Records.

² KABU obtained CPB approval to post the required information on a website shared by other public broadcasting entities consistent with the General Provisions, Section 9 (A), Public Inspection of Documents and Website Posting.

³ Exhibit D of the evaluation report.

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position whose duties will include website compliance. The evaluation report verified that this issue was corrected.

We agree with this finding and considering KABU's swift action to post the missing document, the corrective actions explained in the station's correspondence,⁴ and the penalty assessed below, we will not require additional documentation.

CPB adopted the CSG Non-compliance Policy to encourage grantees to comply with the applicable provisions governing their CSG and the Communications Act. Stations are subject to a penalty of \$5,000 for failure to comply with a category in the Communications Act. Recognizing the prompt action KABU took to address the issues and the potential impact of a penalty on the station's operations, we will assess a reduced penalty of \$1,000 for its non-compliance with the open financial records requirements in the Communications Act

Action: Within 45 days of the date of this correspondence, KABU must provide CPB with the \$1,000 penalty for its non-compliance with the open financial records requirements in the Communications Act.

II. Governing Body and CAB Members

CPB requires stations to post the names of its governing body and Community Advisory Board (CAB) members on its website.⁵ The evaluation found that the governing body and CAB members identified on KABU's website were not up-to-date, and it recommended that CPB require KABU to identify the corrective actions and controls it will implement to avoid this error in the future.

KABU agreed with the findings, and during the audit review, updated its website to reflect the current governing body and CAB members. It stated that the staff that manages the shared website will make and maintain the website posting of governing body and CAB member names going forward. CPB agrees with the finding and, considering the steps KABU has taken to work with the public broadcasting entity staff to ensure compliance going forward and the penalty assessed below, we will not require additional documentation.

Stations are subject to a penalty of \$1,000 for failure to comply with a category in the General Provisions pursuant to CPB's CSG Non-compliance Policy. Recognizing the prompt action KABU took to address the issues raised in the evaluation and the corrective actions detailed in its correspondence,⁶ and the potential impact of a penalty on the station's operations, we will assess a reduced penalty of \$500 for its non-compliance with the General Provisions. Because the station did not meet two requirements, i.e., identifying governing board members and identifying CAB members on its website, the total penalty is \$1,000.

Action: Within 45 days of the date of this correspondence, KABU must provide the \$1,000 in penalties to CPB for its non-compliance with the General Provisions.

KABU must provide the \$2,000 in penalties to CPB for its non-compliance with the Communications Act and the General Provisions, by forwarding a check payable to CPB to Nick Stromann, Acting Chief

⁴ Exhibit D of the evaluation report.

⁵ General Provisions, Section 9 (B), Documents for Public Inspection: Website Posting Required.

⁶ Exhibit D of the evaluation report.

John Chaske
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Financial Officer & Treasurer, Corporation for Public Broadcasting, 401 Ninth Street N.W., Washington, D.C. 20004-2129. If you wish CPB to consider additional information relating to this matter, please provide the same in writing within 30 days of the date of this letter. Otherwise, CPB will consider these determinations final, and KABU must comply with the actions set forth above. CPB reserves the right to take any other action it deems appropriate until these issues are resolved to CPB's satisfaction.

Kind regards,

Jackie J. Livesay

Jackie J. Livesay
Deputy General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

Ronald McKay, Licensee Official, KABU-FM

Michael Levy, Executive Vice President & Chief Operating Officer, CPB

Evan Slavitt, Senior Vice President & General Counsel, CPB

Nick Stromann, Acting Chief Financial Officer and Treasurer, CPB

Kimberly Howell, Inspector General, CPB

William J. Richardson, III, Senior Director & Deputy Inspector General, CPB

Kathy Merritt, Senior Vice President, Radio, Journalism & CSG Services, CPB

Katherine Arno, Vice President, Community Service Grants and Station Initiatives, CPB

Andrew Charnik, Director, Radio CSG Policy & Administration, CPB

Forrest Lillibridge, Director, Grants Administration, CPB